

Message Text

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PAGE 01 MANILA 03301 070806Z

ACTION EB-08

INFO OCT-01 EA-07 ISO-00 COME-00 STR-04 L-03 AGRE-00

CIAE-00 INR-07 NSAE-00 TRSE-00 /030 W

-----070808Z 052603 /17

P 070709Z MAR 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 6780

C O N F I D E N T I A L MANILA 3301

PASS USDA

E. O. 11652: GDS

TAGS: EAGR, RP

SUBJECT: SUGAR: GOP NEGOTIATIONS WITH U.S. REFINEREIS

REF: MANILA 2642

1. GOP OFFICIAL FAMILIAR WITH GOP-SUCREST CONTRACT NEGOTIATIONS HAD TOLD EMBOFF THAT DIFFICULTIES IN CONCLUDING NEGOTIATIONS WITH SUCREST CENTER ON SUCREST REFUSAL TO ACCEPT "TEXAS IMPERIAL" FORMULA FOR PRICING SUGAR. THIS FORMULA, WHICH WAS USED FOR FIRST TIME IN GOP-TEXAS IMPERIAL PARTICIPATING CONTRACT, PEGS PRICE RECEIVED BY THE GOP TO AN AVERAGE PRICE COMPUTED OVER MONTH DURING WHICH SUGAR WAS RECEIVED IN UNITED STATES. THE PRESENT SUCREST FORMULA, ACCORDING TO THIS SOURCE, IS BASED ON PRICE AT TIME WHITE SUGAR IS SOLD, WHICH MIGHT BE A NUMBER OF WEEKS AFTER ARRIVAL OF THE RAW SUGAR IN THE UNITED STATES. CERTAINLY, THE PHILIPPINES WOULD BENEFIT BY IMPERIAL FORMULA DURING A FALLING MARKET SUCH AS MARKET WHICH PREVAILED DURING LAST HALF OF LAST YEAR.

2. SOURCE STATED THAT GREAT WESTERN HAS ALREADY ACCEPTED IMPERIAL FORMULA AND WONDERED OUT LOUD
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WHY SUCREST WAS SO RELUCTANT TO FOLLOW SUIT. THE NEGOTIATIONS WITH SUCREST ARE, FOR ONE THING, HE SAID, MORE DIFFICULT THAN TALKS WITH OTHER TWO U.S. COMPANIES BECAUSE SUCREST MUST CLEAR EVERY MOVE WITH ITS BANKER, BANKERS TRUST.

3. THERE HAVE BEEN STRONG INDICATIONS FROM THIS

SOURCE AS SELL AS FROM SUCREST NEGOTIATORS THAT
CURRENT SUCREST CONTRACT CONTAINS AN ADVANCE
PAYMENT PROVISION. ALTHOUGH NEGOTIATIONS
WITH SUCREST HAVE BEEN RECESSED, GOP OFFICIALS
CONFIRMED THAT SUCREST WILL CONTINUE TO RECEIVE SUGAR
UNDER ITS OLD PARTICIPATING CONTRACT AND THAT
NEGOTIATIONS WILL BE RESUMED IN COMING WEEKS.
SULLIVAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, NEGOTIATIONS, CONTRACTS, PRICES, REFINERIES
Control Number: n/a
Copy: SINGLE
Sent Date: 07-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MANILA03301
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770077-0661
Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770386/aaaacycv.tel
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
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Retention: 0
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Review Release Date: n/a
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SAS ID: 3188013
Secure: OPEN
Status: NATIVE
Subject: SUGAR: GOP NEGOTIATIONS WITH U.S. REFINEREIS
TAGS: EAGR, RP, US, SUCREST
To: STATE
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